THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR (a) and (b) The Boards of Directors of the nationalised banks are continuing entities and vacancies that arise are filled up from time to time. At present there are 85 non-official directors in position on the boards of 19 nationalised banks. These directors were appointed in Sep. temper-October, 1989 for a tenure of three years. Although their tenure has expired they are continuing pending appointment of their successors as per the provisions of the statutes. Government have already initiated necessary steps for filling up existing vacancies and for replacing non.official directors now in position.

Increase in Black money in the country

2083. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) wheher it is a fact that black money to the tune of Rs. 50 to 60 thousand crores is being generated in the country every year;

(b) whether it is also a fact that one of the reasons of generation of black money is the high rate of taxation; and

(c) if so, the details of steps Government contemplate to utilise it in productive projects and to check its generation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) National Institute of Public Finance and Policy had conducted a study and made a report under title "Aspects of Black Economy in India". In this report the black money generated in the year 1983-84 was estimated between Rs. 31,584 crore to Rs. 36,786 crore. The estimate was based on a number of assumptions and approximations. Thereafter, no authentic study seems to have been made in this regard and, therefore, it is not possible to furnish a correct figure of black money generated in the country every year.

(b) The aforesaid study had listed a number of factors leading to generation of black money and these included high rate of taxation also.

(c) ombating tax vasion and curbing the generation of black money are continuous processes inherent in any economy. The Government has been taking necessary legislative, fiscal and administrative measures as deemed appropriate, from time to time to curb the generation and growth of black money. Rate of taxation has been progressively reduced an slabs of income have been progressively rationalised. This has also been done in the Budget presented by the Finance Minister in Parliament on 28-2-1994. At the same time, Income-tax Act, 1961 contains a number of provisions aimed at curbing the generation of black money. These include inter alia provisions regard ing compulsory maintenance and audit of accounts in appropriate cases under sections 44AA and 44AB, restrictions on cash transactions under sections 40A(3), 269SS and 269T, pre-emptive purchase of properties under Chapter XXC and provisions regarding penalties and prosecutions for punishing tax defaulters. The Act also contains provisions regarding summons, surveys, searches and other investigations to detect tax evasion. These provisions are resorted to in appropriate cases of tax evasion.

Transfer of woman assistant Collector of Madras Customs

2084. SHRI N. E. BALARAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a woman Assistant Collector of Malras Customs was transferred after two M.Ps had complained to him about her discourteous behaviour to them:

(b) if so, what was the complaint; and

(c) whether any inquiry was made into the allegations before she was victimised; if so, the dtails and findings thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M.V CHANDRASHEKHAR MURTHY): (a) to (c) A complaint was received from two Members of Parliament. This was looked into, and the Assistant Collector concerned was transferred on administrative grounds from the Airport.

Excise duty exemption to small scale industries

@2085. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether small scale industries including those in Punjab are fully exempt from excise duty under Small Scale Exemption Schme in the country;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) whether Government propose to review the same for the small scale units situated in the rural areas and border areas?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M.V CHANDRASHEKHAR MURTHY): (a) and (b) Under the general small scale exemption Scheme, small scale units manufacturing specified goods have been provided excise duty concessions subject to certain conditions. In that scheme, small scale units are not required to pay any excise duty for clearances upto Rs. 30 lakhs. For subsequent clearances exceeding Rs. 30 lakhs and upto Rs. 75 lakhs, concessional rate of duties have been provided. This concession is available to Small Scale Industries all over the country including to the units situated in Punjab.

(c) At present there is no proposal to review the general small scale exemption scheme mentioned above for rural and border areas. However, in terms of notification No. 88/88-Central Excises, dated 1st March, 1988, full excise duty exemption is available to the specified goods manufactured in rural areas by certain specified units like registered cooperative societies, women societies, institution recognised by khadi and village commission etc.

Sick industries companies (Special Provision) Act, 1985

@@2086. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are not serious about tackling industrial sickness, since only cosmetic changes are likely to be made in the Sick Industries Companies (Special Provisions) Act, 1985;

(b) if so, the reasons therefor;

(c) whether it is a fact that apart from the incorporation of a new subsection necessitating investigation of potentially, sick industrial companies by BIFR, the other amendments are trival;

(d) if so, the details thereof;

(e) whether it is a fact that with amendments restricted to nominal changes in the definition of industrial sickness, potential sickness and operating agencies, the change is in the form rather than content of existing legislation on sick companies; and

(f) if so, the valid reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (f) The Sick Industhial Companies (Special Prov-

@Previously Unstarred Question 1420, transferred from 3rd March, 1994.

@@Preiously Unstarred Question 1449 transferred from the 3rd March, 1994.